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SOUTH CAROLINA
PUBLIC SERVICE COMMISSION

*ALSO MEMBER NORTH CAROLINA BAR

VIA HAND DELIVERY

The Honorable Charles L. A. Terreni
Chief Clerk and Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Docket No: 2005-191-E, Generic Proceeding to Explore a Formal Request for Proposal for Utilities that are Considering Alternatives for Adding Generating Capacity. **Comments of Duke Power, a division of Duke Energy Corporation ("Duke")**

Dear Mr. Terreni:

Duke, through counsel, provides comments relevant to the above referenced matter. These comments are submitted in lieu of a proposed order.

It is Duke's position that a competitive procurement process is one of several valuable tools that Duke can use to benefit its customers. Based upon Duke's experience, Duke believes that a formalized Public Service Commission of South Carolina ("Commission") requirement to issue RFPs for every new resource addition is unnecessary, and if not appropriately flexible, may have the effect of adding cost rather than reducing cost for customers.

Furthermore it is Duke's position that its customers are best served by a resource planning process which allows the utilities regulated by the Commission to have flexibility in resource acquisitions. A mandatory requirement for the use of RFPs will unnecessarily limit that flexibility and could result in lost market opportunities. Duke currently utilizes RFPs for some new resource acquisitions and is looking at expanding that use when it makes economic sense for its customers. As Duke has demonstrated over the past ten years, Duke will utilize RFPs when Duke believes that the use of this device will benefit Duke's customers.

Duke appreciates the South Carolina Office of Regulatory Staff's ("ORS") position in this Docket, as evidenced by their filing of even date. Namely, ORS states that it does not believe that present procedures utilized by South Carolina Electric Utilities are unsatisfactory. ORS further states that South Carolina Electric customers are receiving the requisite, adequate, and

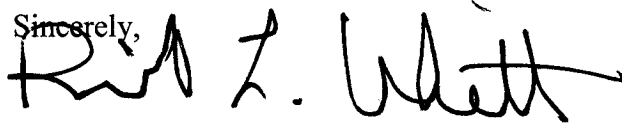
reliable service the utilities are obligated to provide. ORS' stated conclusion is that a rule-making proceeding is not necessary at this time, and Duke agrees.

Finally, if the Commission chooses to adopt guidelines, Duke believes that ORS' proposed guidelines would be appropriate for the Commission's consideration. Duke looks forward to the opportunity to participate in the development of RFP Guidelines, should the Commission nonetheless determine to undertake a rule making.

If you have any questions, or concerns please do not hesitate to contact the undersigned.

With kind regards, we are

Sincerely,

The image shows two handwritten signatures in black ink. The first signature, on the left, is 'William F. Austin' and is written in a stylized, cursive-like font. The second signature, on the right, is 'Richard L. Whitt' and is also written in a stylized, cursive-like font. The signatures are positioned above their respective printed names.

William F. Austin
Richard L. Whitt

CC: See the attached Certificate of Service

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SC COMMISSION

CERTIFICATE OF SERVICE

I, Darla Stone, employee of Austin Lewis Rogers, P.A., hereby certify that I caused copies of Duke Power, a division of Duke Energy Corporation's comments to be emailed on this date, to the individuals shown below:

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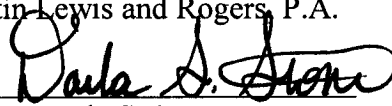
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This the 19 day of December, 2005.

Austin Lewis and Rogers, P.A.

By: 
Darla S. Stone